



Suku Radia
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July 22, 2015

Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

JUL27'15 PM 2:29 BOARD

Dear Mr. Poliquin:

I am writing to you in my capacity as a bank CEO. It is my understanding that your organization has proposed a rule to dramatically expand credit unions' authorities for Member Business Loans and Commercial Lending.

Your organization's proposal would have some consequences which are particularly troublesome. Let me enumerate them:

- Make the statutory cap meaningless because certain credit unions will be allowed to exceed the member business authority. If both the proposed business lending and pending capital rules are adopted as proposed, in effect, the statutory cap will nearly double without Congressional approval.
- The loopholes to the member business lending cap will be widened by clarifying that non-member business loan participations do not count towards the statutory cap. On top of that, regulatory oversight over the concentration of these loans will be eliminated and this will not only allow credit unions to enter into more multimillion dollar commercial lending loans but it would encourage them to do so. I do not believe that the industry is qualified and this will only exacerbate the issue of poor underwriting.
- There are many safety and soundness checks and balances which would be eliminated by requiring personal guarantees and credit unions will be encouraged to divert resources to financing certain kinds of loans as a consequence of relaxing the safety and soundness regulations associated with those loans.

I urge you to reconsider what I think is a very poorly crafted proposal.

Sincerely,

A handwritten signature in blue ink, appearing to read "Suku Radia", followed by a long horizontal flourish.

SR/jkh

cc: Senator Charles Grassley
Senator Joni Ernst
Rep. David Young